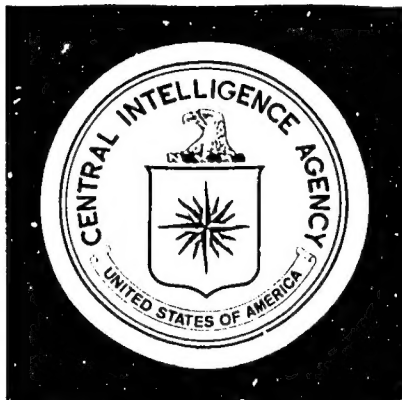


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Venezuela Looks Toward the Caribbean

Secret

№ 671

9 February 1973

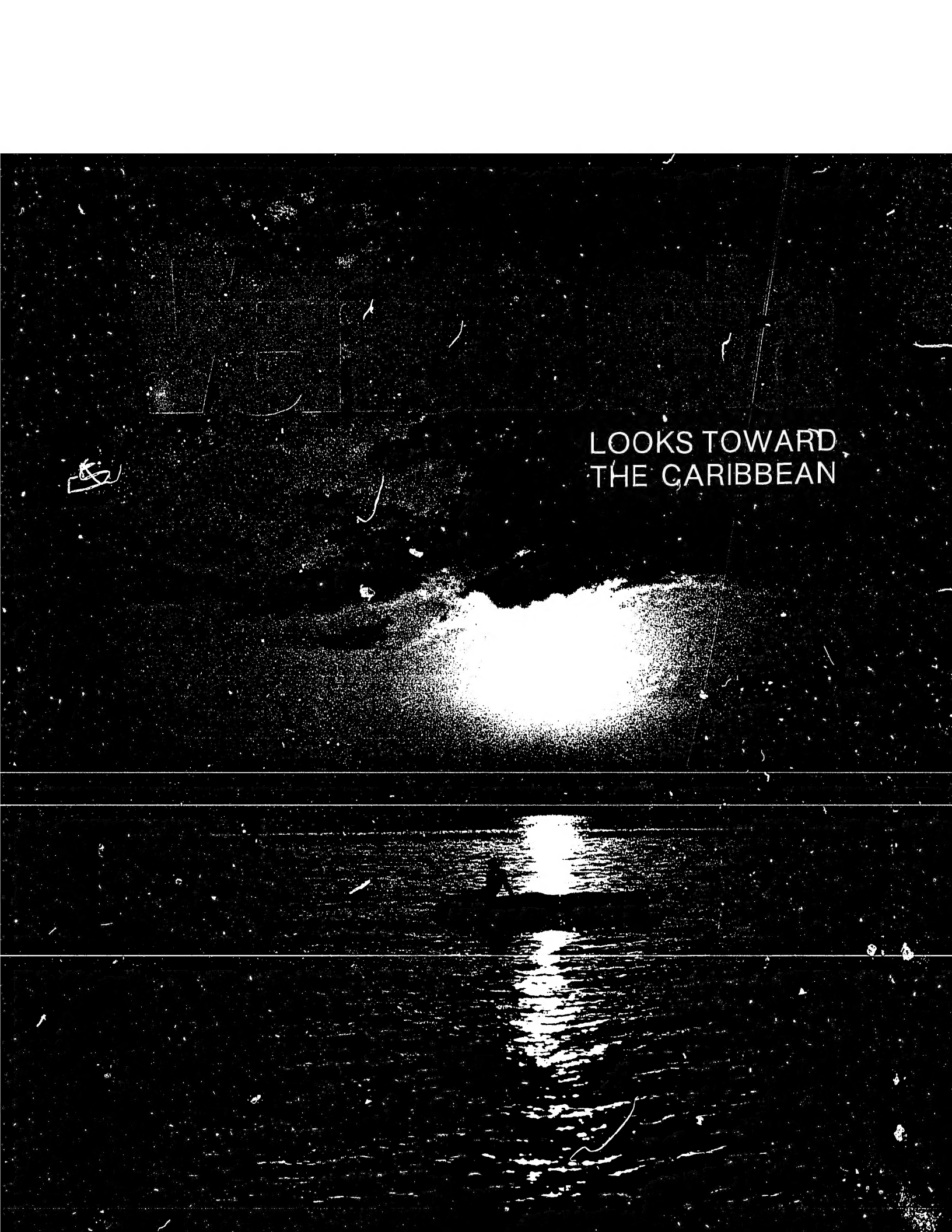
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LOOKS TOWARD
THE CARIBBEAN



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"Without denying the reasons which underlay the earlier positions, it falls to us to express a real national desire for the opening up of our foreign relations sector, with the general re-establishment of links with those Latin American countries from which we had become alienated, to no good purpose, and through the establishment or renewal of relations with other countries in the world we cannot afford to ignore."

—President Caldera, March 1970.

Prosperity, nationalism, and economic and security interests have combined in the past decade to turn Venezuela's attention toward the Caribbean as a natural area for Caracas to expand its political and economic influence. The election of the Caribbean-oriented Christian Democratic administration of President Caldera in March 1969—following a century of Andean-oriented dictators and presidents—provided the catalyst for a shift to a more active role in the area. In characterizing Venezuelan foreign policy, a leading official of the new government stated that the policy is directed toward maintaining relations with all countries, especially those which "interest us from a political, economic, and cultural point of view." The working of that foreign policy over the past few years demonstrates that it is the smaller Caribbean states and depend-

encies and the Communist government of Cuba that interest Caracas.

After coming to power in March 1969, the Christian Democratic government of President Caldera moved quickly to assert its own personality. As promised during the election campaign, the Betancourt Doctrine of not recognizing "illegal" governments—those installed by coups—in the Western Hemisphere was discarded. Within two months diplomatic relations were restored with Peru, Panama, and Argentina. In June 1972, Venezuela re-established relations with Haiti, leaving Cuba the only Caribbean nation with which Caracas does not have diplomatic ties.

The government has also pressed ahead with the previous administration's policy of closer ties with Eastern Europe. Relations have been re-established with the USSR, Yugoslavia, Poland, Romania, and Czechoslovakia. A trade mission has been dispatched to the People's Republic of China, and a small commercial agreement has been initiated.

A Cordilleran State

Until 1969, Venezuelan governments generally paid little attention to the Caribbean. Rather, their attention has focused on internal



New Attention to the Caribbean Region...

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problems and on relations with the other states in South America, with the United States, and with Europe. The Christian Democratic government's predecessor, a Democratic Action government, carried on in closer association with the Andean states than with the economically less attractive mini-states of the Caribbean. In fact, had that party been returned to power in 1968, Venezuela probably would now be a member of the Andean Pact—a five-nation economic grouping made up of Chile, Peru, Bolivia, Colombia and Ecuador—and the Caribbean would be an area of secondary interest. Both the Christian Democratic Party and President Caldera, however, look more to the north and to Europe, both in terms of ideology (Christian Democracy has its well-spring in Europe and the Venezuelan party is generously supported by Christian Democratic parties of Italy and the Federal Republic of Germany) and in terms of the economic relationships to be found among the better developed nations.

25X6 Despite Venezuela's earlier Andean orientation, it has not felt particularly close ties of friendship and sympathy with the other Latin American states and especially those states—Colombia, Brazil, Guyana—that have gained territory at Venezuela's expense.

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by a Traditionally Andean Nation

Venezuela was seen as much more concerned with wealth and its raw manifestations than with maintaining and fostering Latin traditions and values. Further, there is obvious economic disparity. Venezuela's gross domestic product per capita in 1971 was double the Latin American average and second only to Argentina.

While Venezuelans see a potential threat from Brazil, the burgeoning giant on Venezuela's underdeveloped and underpopulated southern border, as well as from the "Colossus of the North" and its oil companies, as Venezuelans review their recent past they see that threats to the country's security, real or perceived, have come largely from the Caribbean area. During the latter years of the Trujillo dictatorship, the Dominican Republic and Venezuela were bitter enemies; in 1960 Trujillo tried to have President Betancourt assassinated. Cuban support for Venezuelan insurgents in the early 1960s, the Essequibo dispute with Guyana which reached a flashpoint in 1967-68, black power troubles in Curacao (1968) and in Trinidad and Tobago (1970), and the dispute with Colombia over territorial sea and continental shelf rights have turned Venezuela's attention forcibly to its Caribbean neighbors. Venezuela's sensitivity to political instability in Curacao or Trinidad is



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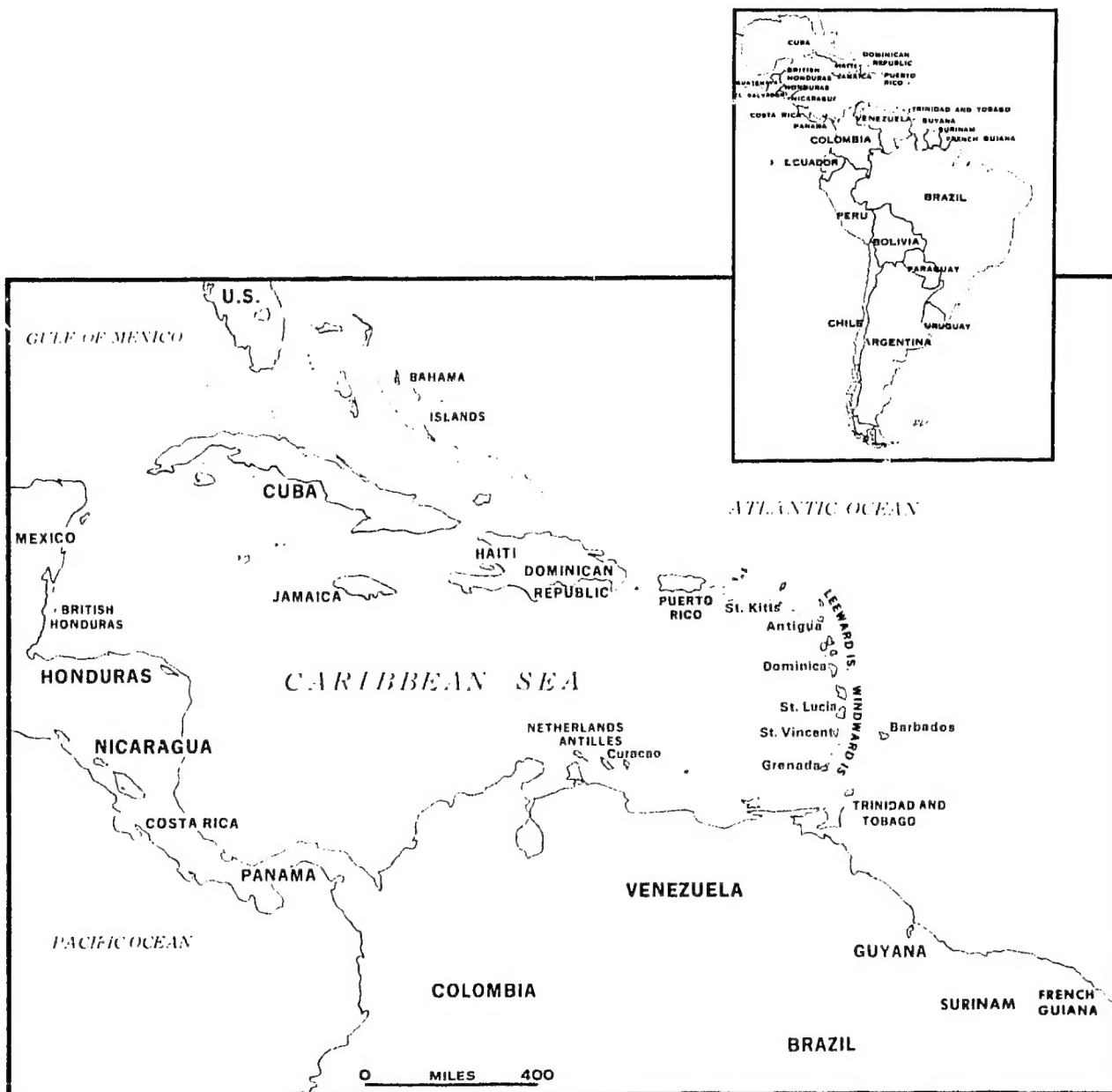
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heightened by the fact that Caracas sends about 60 percent of its crude oil to these islands to be refined.

Consequently, when the Christian Democrats came to power in March 1969, the Caldera administration began to foster closer ties with these neighbors. The non-Caribbean neighbors were not ignored—witness Caracas' negotiations to enter the Andean Pact—but rather for the first time Caribbean affairs merited equal attention. In a speech the following year, the Venezuelan Navy's leading Caribbeanologist and Director of the Navy War College, Captain Manuel Diaz Ugeto, pinpointed Venezuela's responsibilities and commitments in this area. "Venezuela's sea is the Caribbean," he said, adding that an opening to the Caribbean would be the most important step in the coming of age of Venezuela in the international arena. He characterized this process as "the best alternative for the country's maritime aspirations and an appropriate balance for Venezuela's relations with the South American con-

tinents." The forty-year-old Diaz is highly respected by President Caldera and is a naval consultant on complex foreign policy issues. On 1 February, Diaz was appointed chief of the President's military household, a position which is prestigious and a stepping stone to higher rank.

The Architect

The leading force in this policy departure is Foreign Minister Aristides Calvani, who was born in Trinidad of Venezuelan parents. A feature of Calvani's foreign policy is a conviction that personal contact counts for much in the international field, and in his four years as Venezuela's "Henry Kissinger," Calvani has visited every Caribbean capital except Port-au-Prince and Havana. He is a leading ideologue in the Christian Democratic Party and a strong believer in the virtues of Christian Democracy as an alternative between Communism and capitalism. Calvani holds that it is Venezuela's manifest destiny to



Aristides Calvani
Foreign Minister



Rafael Caldera
President



Manuel Diaz
Caribbeanologist

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play a major role in Caribbean affairs by guiding and assisting the Caribbean people.

Key elements of Calvani's policy include expansion of trade and investment, formation of closer cultural and political ties with all the states whether Spanish-speaking or not, and assertion of a Venezuelan role as a champion of the interests of the smaller states vis-a-vis the world's great powers, especially the United States. The desire to encourage the growth of Christian Democratic movements throughout the Caribbean area is a lesser corollary of this policy. Venezuela will foster these ties even in the absence of any acute interest on the part of the Caribbean states. To sharpen the focus of the government's activities toward this area, Foreign Minister Calvani announced in early January 1973 that an Office of Caribbean Affairs was being set up within the Foreign Ministry.

Law of the Sea

Venezuela's efforts to establish itself as the leader of the Caribbean nations with regard to maritime matters are illustrated by its active role in convening the Caribbean Law of the Sea Conference in November 1971 and in preparing for a broader conference this year. Its tendency in this direction was developed during its negotiations with Colombia on the disputed Gulf of Venezuela.

All along, Venezuela has stressed the concept of a "patrimonial" sea, i.e., the coastal state exercises jurisdiction over resources out as far as 200 miles. Venezuela would like to foster a special Law of the Sea for the Caribbean that would link together the maritime interests of the various states, at least partially to defend Caribbean interests against those of the great maritime powers. Venezuela's aim is to push the Caribbean states toward a common stand, a Latin consensus that might then be developed and presented at the World Law of the Sea Conference. The Caribbean meeting in November 1971 was called with this goal in view.

Although the meeting did not arrive at a consensus on the idea of a "patrimonial" sea,

considerable spade work was done and the Caracas conference was a success from the Venezuelan point of view. The nations agreed to set up institutions for research and resources in the Caribbean and to exchange scientific and technical knowledge. In early June 1972, representatives of fifteen Caribbean countries met in Santo Domingo and called for a Latin American conference in 1973 to seek a "definitive consensus," which the Latin Americans would then take to Geneva.

The Caldera government lobbied strenuously and with success to exclude the United States from the Caribbean meetings. Caracas no doubt feared undue US influence on some of the Central American nations that are unfamiliar with the subject. Although there have been subsequent indications the US may be allowed to send observers to future meetings, one Venezuelan noted that inviting the US would be like "an elephant at a meeting of fleas."

Economic Opportunities Limited But Useful

There are economic opportunities for Venezuela in the Caribbean, although their importance has not been overestimated by government officials. Perhaps because of difficulties encountered in the negotiations for entering the five-nation Andean pact, Venezuela has looked to the Caribbean Free Trade Association and the Caribbean Development Bank as a partial alternative for regional economic cooperation. Venezuela has not been admitted to the former but has to the latter and no doubt sees the bank as providing another means for extending its economic influence in the area. Furthermore, Venezuela is making a great effort to identify itself as a Caribbean tourist area and has offered technical assistance in tourism to some Caribbean entities. Its state-owned airline is an important carrier in this area. Though these economic opportunities are small in relation to Venezuela's over-all economy, they are useful as a concrete expression of interest in the area.

Another factor turning Venezuela toward the Caribbean may well be a perception that the gradual withdrawal of the British and Dutch from

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Growing Nationalism, Growing Prosperity

the area is leaving a vacuum. Indeed, there have been complaints in the larger English-speaking islands and also in the Dutch Antilles that Venezuela is trying to gain an economic foothold in the smaller islands. Opportunities do exist, such as investments in petroleum refining in the Antilles, bauxite extraction in Guyana, and offshore petroleum exploitation. No statistics are available, but Venezuelan businessmen reportedly are investing heavily, particularly in food-processing plants. Some islanders are characterizing the Venezuelans as the new imperialists of the Caribbean. Perhaps symptomatic of this attitude is the extensive publicity given charges by a newspaper in Curacao that Caracas plans to annex Aruba, Bonaire, and Curacao once they are independent.

Charges such as these have stung Venezuelan officials, and Calvani has denied that Caracas harbors any aggressive designs on the islands or any imperialistic ambitions. Venezuelan activities, he said, are merely designed to extend a helping hand. Despite these denials, there is a growing reaction against Venezuelan initiatives, particularly in the English-speaking islands. Private British firms are beginning to see the possibility that Venezuela might become a real competitor in an already limited market.

Nationalism: Better Late Than Never

Harder to define than security or economic considerations, but perhaps just as important in explaining Venezuela's quest for influence in the Caribbean, is a relatively recent surge in national-



ism. Prosperity and the peaceful transition of power from one government to the next and from one party to another have resulted in a growing national pride.

Until the last twenty or thirty years, Venezuelans have felt culturally and politically inferior to other South American nations. Disappointed Spaniards found no gold or great Indian civilizations there, and Simon Bolivar disparagingly referred to Venezuela as the garrison for South America. The unbroken succession of dictators was the source of little pride to Venezuelans. Territorial losses to Venezuela's neighbors grew out of the country's backwardness. Now, Venezuelans are proud of themselves and their country, and this is demonstrated in the international field in a greater assertiveness and a decreasing willingness to follow the US lead in international forums. As a relatively prosperous nation, with leaders possessing the drive and desire to play a greater role in the world, Venezuela sees the

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Caribbean as a natural area to expand its influence and prestige.

A Stumbling Block Removed

Before the new look in Caribbean policy could be implemented, however, the Caldera government had to remove or at least neutralize a major stumbling block. In May 1970, Venezuela and Guyana reached an agreement on a protocol to establish a 12-year moratorium on their border dispute. This has created an outward appearance of friendly relations, even though officials in Georgetown probably realize that the benign policy of Caracas could suddenly change.

An equally emotional border dispute with Colombia over division of the territorial sea and continental shelf has been taken to the negotiating table. No early resolution of the dispute is expected.

Application of New Policy

Having mended fences with neighboring Guyana and Colombia, the Caldera government turned its attention to the rest of the Caribbean. By 1970, it had established mixed commissions with Trinidad and Tobago to promote cooperation between the governments and among private enterprises. Then, Foreign Minister Calvani set out on a series of visits to one Caribbean island after another negotiating commercial ventures, economic assistance, and cultural exchange.

In May 1971, Calvani laid the cornerstone for a joint-venture paper mill in St. Lucia, his first success in stimulating Venezuelan industry to associate itself with industry elsewhere in the Caribbean. A year later, Calvani again visited St. Lucia to inaugurate another joint commercial venture. Between these two events came official visits by Calvani to six English-speaking West Indies Associated States as well as the islands of the Dutch Antilles. Caracas also embarked on a strenuous courtship of Surinam, which is also involved in a border dispute with Guyana. A steady procession of Venezuelan cultural performers and exhibits have been sent to Surinam, and large numbers of Surinamers have been invited to Caracas. Re-

cently, a large government-business mission from Surinam, led by Minister of Economy Rens, was treated to a lavish reception followed by assurances of Venezuelan support should Surinam's border problems with Guyana escalate.

In addition, the Venezuelan and Barbadian ministers of agriculture exchanged visits, and the prime minister of St. Vincent and the minister of justice of the Netherland Antilles were officially received in Caracas. In August 1972, representatives of St. Lucia, St. Kitts, Antigua, Grenada, St. Vincent, and Dominica met with Venezuelan government officials and exporters. Agreements for cultural exchanges and the establishment of eleven joint industries were signed. In November 1972, the vice president and foreign minister of the Dominican Republic paid official visits to Caracas followed in late January by a visit from the Dominican Republic's armed forces chief. President Caldera himself, in speeches, press conferences, and other public forums, has emphasized the importance his government places on relations with the area; in September 1971, he paid a highly publicized visit to Curacao, the first such visit by a Venezuelan head of state.

In this spate of activity, Cuba and Puerto Rico have not been overlooked, but they do present unique problems for Venezuelan policy makers.

Opinion is divided in Venezuela over what Puerto Rico stands for. Leftists claim that it represents a classic example of a country's accepting total political domination of the US in return for economic success—an analogy which the left finds applicable to Venezuela. On the other hand, the government has shown interest in studying some successful Puerto Rican institutions. Venezuela has an interest in the island commonwealth not only for cultural reasons but also as a market for petroleum. Regarding Puerto Rico's future political status, Venezuelans by and large are ambivalent.

A Shift on Cuba

While opinion may be divided on Puerto Rico, there is no discernible division of opinion in

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government, political, or economic circles regarding policy toward Castro's Cuba. A slow but perceptible shift toward relations with Cuba is in line with successes in the government's pacification program and its belief in universality with regard to relations among nations. A further spur to accommodation is the widespread belief that there will be a shift in US policy toward Cuba. Caldera and Calvani have made it clear that Venezuela looks forward to Cuba's reincorporation into the Inter-American System. Responsible elements in Venezuela are urging a change. The opposition Democratic Action party would probably be willing to go along if several sister states were to change their policies. Even military leaders, who still carry memories of the high price paid by security forces in combating Cuban-supported guerrillas, would not be totally opposed to closer ties with Havana. The direction is clear, the question is one of timing: "Venezuela will be neither the first nor the last to establish relations with Cuba."

Although diplomatic relations do not exist, in the past year there has been a significant amount of low-level contact, especially in the areas of culture, sports, and education. Exchanges of delegations have been increasing and a Prensa Latina office has been allowed to operate in Caracas. A number of other options involving trade ties and economic relations are available. Leading officials in Caldera's own Christian Democratic party have raised the possibility that Venezuela may ship some of its petroleum to Cuba. Recently the acting president of the Christian Democratic Party said that negotiations were under way with the USSR on providing some part of its petroleum shipments to Cuba from Venezuelan sources. The Christian Democrat's presidential candidate Lorenzo Fernandez has said, "If the Soviet Union wants to buy oil from Venezuela because it is inconvenient to transport oil all the way from the USSR, why not sell the oil to it."

It is good business for Venezuela, and solves a problem for the Soviet Union. Nobody loses." Such a sale would not only demonstrate the political independence of Venezuela's foreign policy, but would also strengthen Caracas' position among those of its neighbors that have already established relations with Havana.

Conclusions

The increasing attention to Caribbean affairs could have serious implications for US policy. If Venezuela can consolidate a position as a leader among Caribbean states, it may encourage them to take positions on international matters—such as Law of the Sea—which could be inimical to US interests.

For the time being, Venezuelan military and economic power in the Caribbean is still minimal, and Venezuelan investment in the poor islands, although welcome, is marginal compared with other foreign investment and assistance. The extent to which Venezuela pushes its interests in the region will be governed to a large extent by the outcome of the current negotiations on membership in the Andean Pact and the Venezuelan presidential election to be held in December. Entry into the five-nation Andean Common Market could deflect some of the current attention on the Caribbean back toward the Andes. A similar result might be expected if the Christian Democrats are not returned to power.

Nevertheless, regardless of the outcome, Venezuela will remain an influence in the Caribbean. Geography, security, and economic interests argue for this role, as does Venezuela's interest in serving as a bridge between the underdeveloped and developed world and between North and South America.

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